

Battery Materials Due Diligence Sourcing Policy

It is the policy of The Duracell Company and its direct and indirect subsidiaries (collectively “Duracell”) to comply with all laws and regulations that apply to The Duracell Company’s and their parent company, Berkshire Hathaway Inc. (“Berkshire”) activities and operations, including the EU Regulation 2023/1542 concerning batteries and waste batteries (“EU Batteries Regulation”). Officers, directors or employees of Duracell (each, a “Duracell Person” and collectively, “Duracell Personnel”) shall comply with this Battery Materials Due Diligence Sourcing Policy (this “Policy”), shall abide by all such applicable laws, and shall exercise great care not to take or authorize any actions in violation of the EU Batteries Regulation. Duracell Personnel who violate this Policy shall be subject to appropriate disciplinary action. Duracell employees must refer to the Duracell Responsible Sourcing Process which sets out responsibilities and steps to comply with this policy.

Duracell further requires its third party suppliers (“Suppliers”) to fully comply with the Terms of this Policy.

Background

Duracell’s vision is to make primary batteries more sustainable throughout their entire life cycle – from the sourcing of materials to their collection, recycling and repurposing. This Policy covers battery raw materials and batteries in Duracell’s supply chain in the EU market. Specifically, the following battery raw materials (“battery materials”) which are in scope of the EU Batteries Regulation:

- (a) cobalt;
- (b) natural graphite;
- (c) lithium;
- (d) nickel;
- (e) chemical compounds based on the raw materials listed in points (a) to (d), which are necessary for the manufacturing of the active materials of batteries.

Duracell’s Due Diligence Process for Battery Materials Supply Chain

Duracell conducts risk-based supply chain due diligence on its battery material Suppliers, taking into account internationally recognised due diligence principles, including UN Guiding Principles on Business and Human Rights and OECD Due Diligence Guidance. Duracell’s battery material Suppliers must also adhere to these due diligence principles as well as the EU Batteries Regulation.

Chain of Custody

The EU Batteries Regulation requires companies in scope of due diligence requirements such as Duracell to establish and operate a system of controls and transparency regarding the supply chain, including a chain of custody or traceability system, identifying upstream actors in the supply chain.

Duracell requires its Suppliers to declare the following information about the battery material supply chain, to establish information regarding the material country of origin, smelters and refiners, as required by the EU Batteries Regulation:

1. A description of the raw material, including its trade name and type;
2. The name and address of the supplier that supplied the raw material present in the batteries to the economic operator that places the batteries containing the raw material in question on the market;
3. The country of origin of the raw material and the market transactions from the raw material's extraction to the immediate supplier to the economic operator that places the battery on the market;
4. The quantities of the raw material present in the battery placed on the market, expressed in percentage or weight;
5. Third-party verification reports issued by a notified body where available, or additional information such as the mine of origin, locations where the raw material is consolidated, traded and processed, and taxes, fees and royalties are paid.

Duracell's "Tier 1" Suppliers shall pass these requirements to their own suppliers. If Duracell identifies any High Risk locations of smelters/ refiners in the supply chain, the supplier must demonstrate to Duracell that it is taking steps to address risks, or require from smelters/ refiners in the supply chain to manage and prevent negative impacts from occurring. Duracell reserves the right to suspend trading with a supplier that repeatedly fails to comply after having been provided with the opportunity to remediate the situation upon reasonable time to be decided by Duracell.

Suppliers that are unable to comply with these requirements because they do not have access to the information must provide any information they can such as country locations of smelters/ refiners to Duracell, so that Duracell can assess the risks in its battery supply chains. Suppliers must provide adequate evidence to Duracell (in its discretion) that they are taking steps to collect missing Chain of Custody information. Duracell recommends that smelters/ refiners processing battery materials become RMI Assured in order to aid the collection of Chain of Custody information to downstream supply chain operators.



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Risk Management

All battery materials Suppliers undergo a risk assessment process to identify ESG risks and any risk that raw materials could originate from a conflict affected and high-risk area (CAHRA). High risk Suppliers are targeted for further due diligence. If there is a risk that battery materials originate from a CAHRA then the supplier of these materials is required to provide further information to demonstrate it is taking action to manage and mitigate that risk.

If a Supplier is found to be high risk on ESG issues the Supplier must provide a verified independent audit report and demonstrate it is taking action to address, manage and mitigate risks. Based on the audit result, Duracell will decide next steps; suppliers will be required to improve practices if audits flag serious risks. Duracell reserves the right, as a last resort following engagement, to terminate relationships with suppliers that fail to comply.

Suppliers must have a grievance mechanism, including an early-warning risk-awareness system and a remediation mechanism based on the UN Guiding Principles on Business and Human Rights in place to enable stakeholders to report concerns effectively and free from risk of retaliation.

Duracell Grievance Mechanism

The Berkshire Hathaway Ethics & Compliance Hotline is open to individuals both inside and outside the company who wish to raise a concern regarding a Supplier of Duracell, including of battery materials, as set out in Duracell's ethics policies. Duracell maintains an internal policy to respond to and investigate reports made through the hotline. Where appropriate Duracell will collaborate with stakeholders to remediate any negative impacts to which we have caused or contributed to. The Berkshire Hathaway Ethics & Compliance Hotline is available 24 hours a day, seven days a week at 1-800-261-8651 or other country specific toll-free number, by calling collect at 1-704-752-9679, or by going online at www.brk-hotline.

Vendor Requirements

Suppliers of battery materials are required to implement and provide evidence of supply chain policies that demonstrate efforts to prevent and mitigate adverse impacts of the supply of battery materials. They must also maintain Chain of Custody of battery materials from High Risk locations and report this to Duracell. High risk will be determined using evidence provided by the supplier and the RMI Global Risk Map which brings together governance, human rights, and conflict risk indices across geographic regions globally.

High risk processors (smelters and refiners) must receive a valid ESG audit by a Responsible Minerals Assurance Process (RMAP) third-party auditor, to demonstrate the proficiency of risk management and to identify any potential issues on site. Processors

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supplying Duracell in the EU must demonstrate corrective action should any issues be identified in an audit. Our Tier 1 Suppliers are responsible for passing our standards of due diligence to their own suppliers.

Duracell will have the right to enforce this Policy and the applicable regulatory requirements, as part of its contract with Suppliers. Suppliers of battery materials who do not meet this Policy are subject to remedies, including suspension of purchasing activity temporarily while pursuing ongoing risk mitigation efforts. Duracell also has the right to terminate a Supplier after one or more failed attempts at risk mitigation in cases where the time-bound action plan has not been met.

Internal Reporting Requirements

As per the Duracell Responsible Sourcing Process, Duracell Personnel must immediately report any serious concerns, issues or problems relating to suppliers, discovered during the vendor assessment and evaluation to the Duracell ESG Governance Committee.

Maintenance and Retention of Records

Access to internal systems or records shall not be given to individuals without proper authorization. Destruction or removal of Duracell Company records may be undertaken only in compliance with Duracell Company policy.

Third-party verification of this Policy

To the extent required by the EU Batteries Regulation, Duracell's battery due diligence policy will be verified and periodically audited a third party to ensure compliance with the EU Batteries Regulation. Duracell will receive an audit report from this authority, to be retained for 10 years after the last applicable battery was placed on the market. Duracell will keep abreast of any developments in the appointment of notified authorities. To the extent required by the EU Batteries Regulation, Duracell Suppliers shall also comply with this periodic audit, with a copy of the report to be provided to Duracell.

Ongoing Compliance & Reporting Obligations

Each general manager of Duracell shall be responsible for the enforcement of and compliance with this Policy within his or her area of responsibility, including distribution of this Policy to all employees. Any Duracell Person who becomes aware of a failure of any other Duracell Person to abide by the terms of this Policy should contact the Duracell Chief Legal Officer or Chief Financial Officer. Should any Duracell Person be concerned as to whether reporting of activity as required by this Policy may subject him or her or any other Duracell Person to any form of retaliation, he or she should contact the Duracell Chief Legal Officer or Chief Financial Officer. If any Duracell Person would prefer to report matters pertaining to this Policy anonymously, he or she may do so through the Berkshire Hathaway Ethics & Compliance Hotline, which is available 24 hours a day,

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